



Economics Group

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Wholesale Inventories Continued to Rise In October

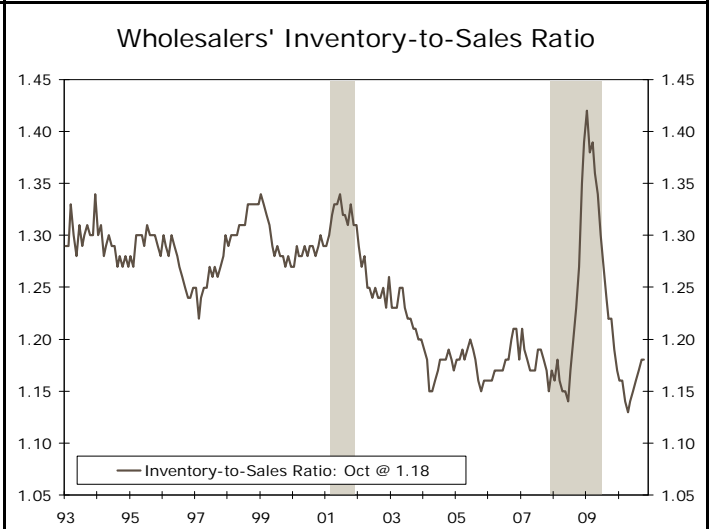
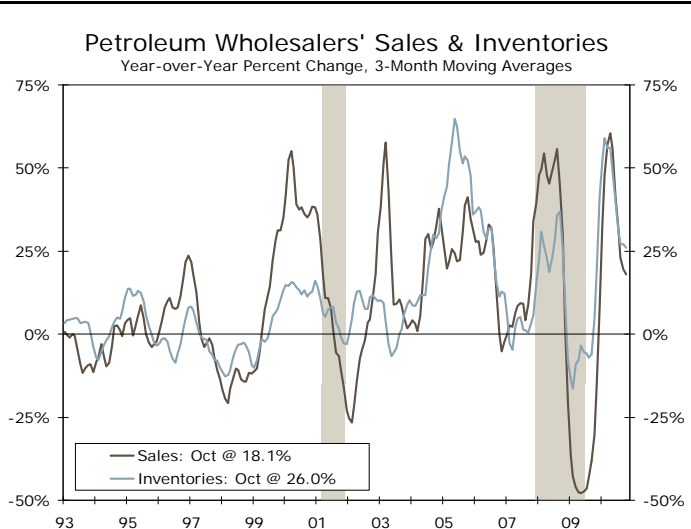
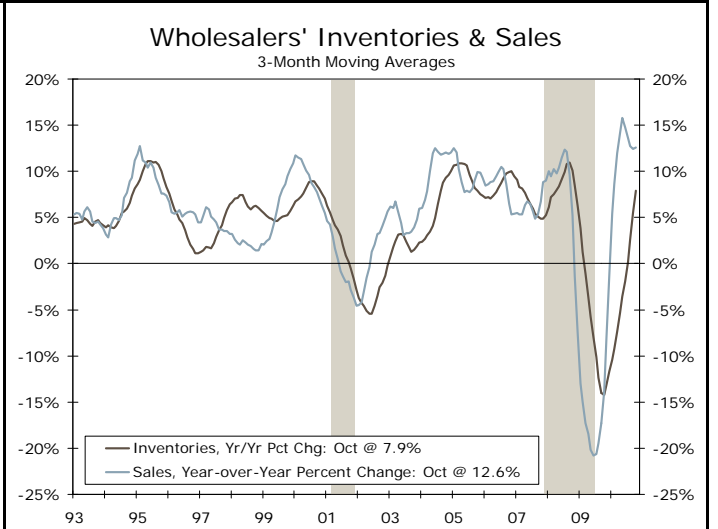
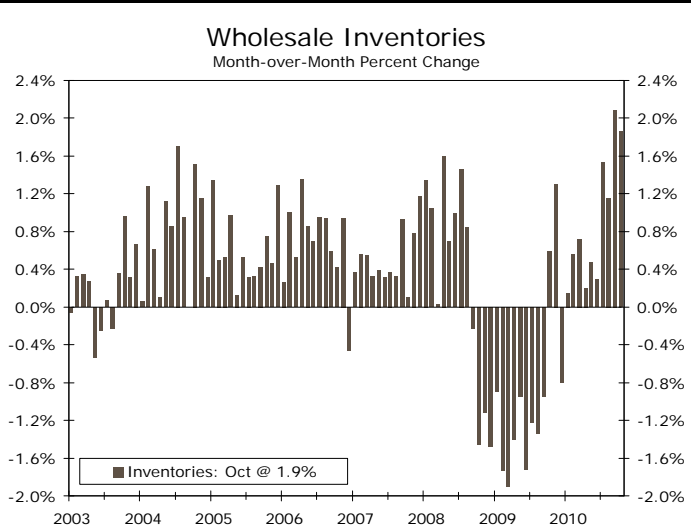
Wholesale inventories continued to rise in October, increasing 1.9 percent led by inventory building in nondurable goods. The gain in September inventories was revised upward to 2.1 percent from 1.5 percent.

Sales Post an Increase

- October wholesale inventories of durable goods increased 0.9 percent while nondurable goods inventories increased 3.2 percent.
- Total sales increased 2.2 percent in October, 13.4 percent higher from October 2009 sales levels. Nondurable goods sales increased 3.7 percent, led by a 6.4 percent rise in petroleum sales.

Inventories Remain High

- The inventory-to-sales ratio remained flat in October at 1.18. Combined with the increase in sales, this suggests that some stabilization in inventory levels may be occurring.
- However, the continued inventory building on the part of wholesalers supports our view that production will continue to slow in the coming months as firms work to more closely match production with actual demand.



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